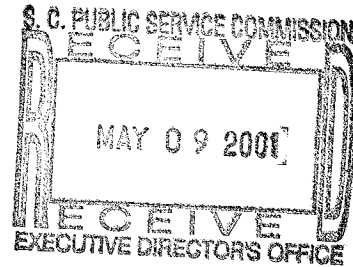


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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

ORDER NO. 01-434

May 9, 2001



IN RE: Transfer of Water Customers)
 in Idlewood Subdivision)

**EMERGENCY
ORDER**

This matter comes before this Commissioner at the petition of counsel for Carolina Water Service, Inc. ("Carolina Water"), pursuant to Rule 103-886 of the Public Service Commission of South Carolina's ("Commission") rules of practice and procedure. The timing of this petition prevents the full Commission from meeting to address Carolina Water's petition. Upon the request of the Commission Staff, this rule permits a single Commissioner to issue an Emergency Order. This Emergency Order will remain in effect until the next regularly scheduled meeting of the full Commission. At that time the full Commission will meet and consider this matter and take such action on the single Commissioner's Order as it deems appropriate.

Public concerns and reports in the media have recently arisen concerning the existence of the chemical ethylene dibromide ("EDB") in the well water provided by Carolina Water for the use of the residents of the Idlewood Subdivision ("Idlewood"). The contamination in Carolina Water's wells is from a source which is migrating into the wells. The location of the original source of the pollution, the quantity and the persons or entities responsible have not yet been identified although the details of the contamination has been reported to SC DHEC. Carolina Water has stated its position publically that, given the levels of EDB found in the drinking water

over the past year, the risk of cancer or other significant problems is extremely low and the origin of the EDB is unrelated to Carolina Water's well operations.

Notwithstanding their position, Carolina Water has explained that it was working diligently to install carbon filters to eliminate EDB from the water in the wells. However, that option would take at least six weeks to complete and Carolina Water believes that long term the purchase of bulk water for the Town of West Columbia is the best choice for the customers and the Company.

The City of West Columbia ("the City") has informed Carolina Water that it will enter into a bulk water contract to replace the water currently provisioned from the wells for Idlewood. The City has agreed to provide bulk water to Carolina Water at the same rates that the City provides water to Carolina Water under an existing contract for other areas. (See Commission Docket No. 96-232W, Order No. 98-187) The City has further advised Carolina Water that it will not charge existing customers tap fees.

The exigent circumstances of this matter is that potable water is immediately available while contaminated water is being used. In order to eliminate the contaminated water supply, the Company would have to terminate service. Without this Order's intervention, any termination of service would not be allowed without Commission approval, as such termination would be against Commission regulations. An order granting permission from this Commission is required to resolve the concerns related to the health of the customers of Idlewood and to maintain the status quo of customer service. To benefit the water customers of Idlewood, Carolina Water petitions for Emergency Order, pending this Commission's later review of Carolina Water's petition.

Because the exigent circumstances do not permit this matter to be heard by the full Commission and because the proposed emergency transfer would protect the public and maintain the *status quo* of Carolina Water's service to Idlewood, Carolina Water petitions for the above described Emergency Order.


Carolina Water offers that, when present rates are compared to the new bulk water contract rates for provision of water by the City, there is under Carolina Water's existing tariff an increase in cost to an individual customer of approximately \$3.57 monthly based on average monthly water usage. Carolina Water believes that the increase is offset by the benefits from removal of EDB from the Idlewood Water customer's water supply.

Based on my review of this matter, I believe that it is appropriate to issue an Emergency Order allowing the water supply of the approximately (77) seventy-seven Idlewood water customers to be furnished by contract with the City, at the rates discussed hereinabove.

IT IS THEREFORE ORDERED THAT:

1. Carolina Water is permitted to replace its well water service to Idlewood with water provided under bulk contract from the City.
2. This Order shall remain in full force and effect until further notice from the Commission.

BY ORDER OF THE COMMISSION:

 Commissioner

ATTEST:


Gary E. Walsh, Executive Director of the Commission